

MINUTES OF A JOINT MEETING OF
 SCRUTINY COMMITTEES HELD IN THE
 COUNCIL CHAMBER, WALLFIELDS,
 HERTFORD ON TUESDAY 20 JANUARY
 2015, AT 7.00 PM

PRESENT: Councillor G Jones (Chairman).
 Councillors R Beeching, S Bull, G Cutting,
 A Dearman, Mrs D Hollebon, J Mayes,
 P Moore, T Page, M Pope, J Ranger,
 K Warnell, G Williamson, J Wing, M Wood,
 C Woodward and J Wyllie.

ALSO PRESENT:

Councillors P Phillips, P Ruffles, S Rutland-
 Barsby and M Tindale.

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Democratic Services Officer
Marian Langley	- Scrutiny Officer
George A Robertson	- Chief Executive and Director of Customer and Community Services
Adele Taylor	- Director of Finance and Support Services
Karen Watling	- Interim Head of Strategic Finance

475 APPOINTMENT OF CHAIRMAN

It was proposed by Councillor J Ranger and seconded by
 Councillor Mrs D Hollebon that Councillor G Jones be
 appointed Chairman for the meeting.

RESOLVED – that Councillor G Jones be appointed Chairman for the meeting.

476 APOLOGIES

Apologies were submitted on behalf of Councillors D Abbott, W Ashley, P Ballam, E Buckmaster, N Symonds and B Wrangles. It was noted that Councillor R Beeching was substituting for Councillor Ballam.

477 MINUTES – 11 FEBRUARY 2014

RESOLVED – that the Minutes of the joint meeting held on 11 February 2014 be confirmed as a correct record and signed by the Chairman.

478 CHAIRMAN'S ANNOUNCEMENTS

The Chairman stated that this month, the Local Government Information Unit had sent out a Policy Briefing about the Local Government Finance System and commented on the complexity of it.

479 BUDGET REPORT AND MEDIUM TERM FINANCIAL PLAN 2014/15 – 2018/19

The Executive Member for Finance submitted a report which set out proposals in respect of the following:

- 2014/15 Revised Revenue Estimates
- 2015/16 Revenue Budget
- 2015/16 Schedule of charges
- 2014/15 (Revised) to 2017/18 Capital Programme
- the refreshed Medium Term Financial Plan (MTFP)
- the Council's Reserves

The joint meeting of Scrutiny Committees was advised that the new format budget report had replaced four separate reports which, in previous years, had discussed the revenue and capital budget proposals. At a recent training workshop, Members had identified certain

changes they wished to see in the budget report, such as clearer and expanded explanations of the figures, identification of the key budget changes, the use of plain English and more use of graphs. The Director of Finance and Support Services advised that the new format and content was Officers' response to those requests which, it was hoped, would make the budget proposals easier to understand.

The Director explained that Sections 1 and 2 provided an overview of five "building blocks" forming the Council's revenue budget and referred to the Medium Term Financial Plan for a summary of the Revenue Budget. It was noted that there had been earlier reports to both Corporate Business Scrutiny and Audit Committees regarding the council tax base and business rates would go to Council in January and the Council's Treasury Management Strategy would be going to Audit and Council this month.

The Director stated that Section 3 provided a summary of the key budget proposals and how these supported the Council's priorities. A reprint of Chart 2 was tabled for clarity at the meeting. Section 4 set out the Revised Revenue estimates for 2014/15.

The Chairman referred to additional staffing changes and concerns which had been expressed about the workload around Building Control and Enforcement, and the temporary arrangements currently in place. Councillor J Wing referred to Members' concerns raised at a recent meeting of Corporate Business Scrutiny Committee in relation to adverse performance targets not being met, adding that performance should be at 100%; instead of the 63% currently being achieved. Councillor Wing referred to the impact on the environment if Officers were not making timely site visits. He referred to the income generated by Planning and Building Control and felt that it was crucial that this area be given more resources. Councillor C Woodward supported a suggestion to increase the level of resources. Councillor J Ranger

agreed that there was a huge amount of work in those areas with additional and increasing numbers of planning applications coming in and the need for more staff.

In response to a query from Councillor R Beeching regarding the New Homes Bonus (NHB) and its apportionment, the Director of Finance and Support Services clarified the funding process and referred Members to the MTFP for more detailed information. It was noted that 25% was allocated to Towns and Parishes for disbursement on projects. The Director reminded Members that when the policy had been established, no “strings” had been attached in terms of NHB monitoring or expectation of what the money should be used for. The Council allocates 25% to a New Priority Fund and the Council has earmarked this for the purpose of funding initiatives which promoted economic prosperity in the District.

Councillor C Woodward was concerned that the Council was losing an opportunity to increase its NHB and referred to empty homes in the District and the fact that the Council had more than 2000 people registered on its homeless register. The Director explained the work which had been undertaken to bring empty homes back into use as well as ensure homes were properly classified as empty or not.

The Executive Member for Finance referred to the large level of underspends in the NHB Budget and the £353K which remained. He emphasised that free 30-minute parking had been funded from the NHB.

In response to a query from Councillor P Moore, the Director explained why and in which three areas, underspends had occurred.

The Chairman referred to the underspend in the revenue budget of £1,243K and the possibility that this could increase to £1.7m if the unallocated amounts in the contingency budget and NHB Priority Spend Fund were

not used.

In response to a query from Councillor M Pope, the Director explained the background to Section 31 Grants and how these were awarded and the effects this had on the Council's income in terms of business rates.

The Director summarised Section 5 – the 2015/16 Revenue Budget: Net Cost of Services, the detail of which was set out in the key Essential Reference Papers. In response to a query from Councillor G Cutting regarding provision for a Leisure Development Manager, the Chief Executive and Director of Customer and Community Services clarified the current arrangements.

In response to a query from Councillor J Wing regarding net cost of services in respect of Revenues and Benefits and what proportion was funded from Government sources to undertake collection on their behalf, the Director agreed to write to Members.

The Director summarised Section 6 – 2015/16 Revenue Budget: Proposed Growth and Saving, the detail of which was set out in the key Essential Reference Papers. Councillor R Beeching referred to the issue of public health and stated that the Council should be promoting its support for public health more actively. Both he and Councillor C Woodward asked whether the ear-marked public health budget and expenditure against that budget could be presented as an item in its own right and not broken up across the services.

Councillor M Wood referred to the issue of leaf clearance and the detrimental effect decomposing leaves had on grass verges and gullies. He suggested that the Council should consider working with community and resident groups to develop a partnership to cover special collection arrangements following any organised leaf clearance activity. Councillor K Warnell suggested that Towns and Parishes might be approached in relation to financial support for the initiative. The Executive Member

for Finance agreed that the Executive could review the possibility of specialist collections.

In response to a query from Councillor G Cutting, the Director of Finance and Support Services provided clarification on the budget figures in relation to residents' parking restrictions at Southmill area in Bishop's Stortford. The Executive Member for Economic Development advised that there was no surplus generated and there would be a report to the Executive in February 2015 which would provide further details in relation to income and expenditure on residents' parking.

The Director of Finance and Support Services summarised Section 7 2015/16 Revenue Budget: Proposed Schedule of charges, the detail of which was set out in the key Essential Reference Papers. Councillor J Wing referred to the charges charities incurred in relation to pre-application planning fees. He suggested that charities be granted exemption status from such charges. Councillor J Wing sought clarification on what charges were completely reimbursed. The Director explained that charities received a 25% reduction in charges.

Councillor T Page commented that he did not understand the reasoning behind the fee changes giving the example that building and development control fees had not increased but that Bed and Breakfast rates had risen by 2.5%.

Councillor J Wyllie suggested that, given the underspends, there should be no increase in fees and charges.

The Chairman recognised that a number of Members had concerns about increases in fees and charges and that Members supported a suggestion that some underspends / reserves be used to limit charges to a zero increase unless there was a statutory requirement for full-cost recovery or to increase them.

The Chairman referred to the fees and charges for Hertford Theatre and the degree of flexibility which needed to take account of its varied programme and the building's use by "not for profit" groups. Members acknowledged the varied programme and agreed that the Box Office Management needed flexibility in its programme pricing arrangements.

Members also supported a suggestion that Scrutiny Committees be given an opportunity to review how fees and charges were set during 2016/17 to establish whether they were appropriate in the current commercial environment and met with community needs. The Chief Executive and Director of Customer and Community Services asked Members to let Heads of Service know where their concerns lay in terms of fees and charges.

The Director of Finance and Support Services summarised Section 8 – 2015/16 Revenue Budget: Corporate Budgets, the detail of which was set out in the key essential reference papers. In response to a query from Councillor M Pope regarding the £1m contribution to the Pension Fund, the Director of Finance and Support Services explained that the Council had received advice on possible future contributions but were seeking further clarification before a recommendation would be made about whether to make any contribution if it made financial sense to do so.

The Director of Finance and Support Services summarised Section 9 – 2015/16 Revenue Budget: proposed contributions to and from reserves, the detail of which was set out in the key Essential Reference Papers. The Director explained that Officers were recommending that £1.831m be used to fund the 2015/16 Revenue Budget and that £144K be put into reserves for specific items.

Councillor J Ranger expressed concern that money was not being spent and suggested a fund be established to

more robustly defend planning cases on appeal. The Executive Member for Finance stated that the Council could only do so where there was a justification in using Council Taxpayers money to defend planning appeals. The Chief Executive and Director of Customer and Community Services assured Members that in appeal cases, Counsel's opinion would always be sought. In response to a query from Councillor C Woodward, the Director of Finance and Support Services clarified the position regarding funding neighbourhood plans.

The Director of Finance and Support Services summarised Section 10 – 2015/16 Revenue Budget: Sources of Funding, the detail of which was set out in the key essential reference papers. The Director stated that this was based on information which the Council currently held to funding its activities.

Councillor J Ranger sought clarification with regard to the percentage of decrease this authority had had in relation to Revenue Support Grants since the government cuts had started. The Director undertook to write to the Member. The Director clarified the position in relation to the Collection Fund distributed deficit. She also referred to requests for business rate revaluations and the need to provide an estimate about the numbers who might appeal.

The Director of Finance and Support Services summarised Section 11 – 2015/16 Revenue Budget: Proposed Council Tax Demand (East Herts element), the detail of which was set out in the key Essential Reference Papers. She explained that there was a zero increase in Council Tax proposed for 2015/16.

Councillor J Wing referred to the significant levels of Council reserves and suggested that there be a reduction in Council Tax. The Executive Member for Finance referred to unknown and uncertain elements which could impact on the Council's finances, e.g. the General Election, a possible reduction in the NHB and the

assumptions in the MTFP. He referred to the fact that a freeze on Council Tax was proposed for 2015/16 and a 1% increase was proposed in 2016/17. He stated that the Council needed to take an affordable and sustainable approach to its finances.

The Director of Finance summarised Section 12 – Capital Programme 2014/15 (Revised) to 2017/2018), the detail of which was set out in the key Essential Reference Papers. Councillor C Woodward suggested that in terms of new schemes, the Council should be looking to improve facilities for disabled swimming arrangements in Bishop's Stortford.

Councillor G Cutting supported this and referred to the absence of a 50m pool in the district to allow swimming clubs to support their best swimmers progress to higher level of competition. Councillor J Wing referred to the lack of sports facilities in Bishop's Stortford, particularly in relation to football clubs and the shortage of pitches in the District as a whole. Councillor M Wood supported this, adding that adequate service provision of facilities was essential given the town's predicted growth from 38,000 to 50,000 people. Councillor C Woodward supported the acquisition of land for sports facilities stating that facilities, as they stood, were totally inadequate. Members supported a suggestion that capital funding should be used to acquire land for sports facilities including a sports hall and the expansion of Grange Paddocks swimming pool.

The Chief Executive and Director of Customer and Community Services acknowledged Members' strong feelings on this issue, and referred to Section 106 Monies arising from proposed developments in the town which are identified for community/sports facilities. He was aware however that there were already many calls on that funding.

The Director of Finance summarised Section 13 – Medium Term Financial Plan (MTFP), the detail of which

was set out in the report and key Essential Reference Paper. She explained to Members the need for caution in relation to the MTFP estimates from 2016/17 onwards, adding that the information given, was based on the best estimates the Council had, bearing in mind the potential changes to local government finance and what might arise from a new Government and a new Public Sector Comprehensive Spending Review. The Executive Member for Finance explained the need to make responsible projections and assumptions in order to establish a proper budget.

The Director of Finance and Support Services summarised Section 14 – Review of the Council’s Reserves, the detail of which was set out in the report and key Essential Reference Papers. Councillor J Wyllie referred to the Council’s current reserves of £1.4M in excess of its current Reserves Policy of £8M. He suggested that the £1.4M be put into the pension fund. In response to a query from Councillor K Warnell, the Director of Finance and Support Services explained the interest equalisation reserve and its impact on bank rates.

In response to a query from the Chairman regarding the Council’s substantial reserves, the Director of Finance advised Members that the Council was using some of its reserves and referred Members to Essential Reference Paper ‘K’ (Review of the Council’s Reserves) for more detailed information.

The Director of Finance and Support Services summarised Section 15 – Advice from the Director of Finance and Support Services (Section 151 Officer), the detail of which was set out in the report and the key Essential Reference Paper. The Director assured Members that the budget and MTFP estimates were prudent, sensible and robust.

Councillor J Ranger thanked the Officers for the clarity and organised format of the report. The Chairman, on behalf of Members, also added his thanks to Officers for

the new and clearer format of the report.

The joint meeting of Scrutiny Committees, in summary, resolved to inform the Executive that:

- staffing resources within Building Control and Enforcement be reviewed in view of the fact that performance targets were not being met and of the potential increase in workload expected during 2015/16;
- the Council considers working in partnership with active community groups in relation to leaf clearance and in arranging special collection of leaves collected by those groups;
- some underspends in the Council's budget be used to set charges to a zero increase (with the exception of those which may need to be increased as a result of a statutory requirement);
- Scrutiny Committees in 2015/16 review Fees and Charges relevant to their specific areas in order to assess whether they are commercially viable and meet community needs;
- fees and charges for Hertford Theatre be afforded a level of flexibility in their box office pricing arrangements in order to take account of its varied programming and the use of the building by not-for-profit local groups; and
- capital funding (including the use of Section 106 monies and NHB), be used to improve current facilities and acquire land for new sporting facilities across the District and in particular, in Bishop's Stortford, including football pitches, a sports hall and the extension of Grange Paddocks swimming pool to allow users of the pool to train and compete at a regional and national level.

RESOLVED – that the Executive be informed that the joint meeting of Scrutiny Committees considers that:

- (A) staffing in Building Control and Enforcement be reviewed in order to achieve established performance targets and an anticipated increased in workload in 2015/16;
- (B) the Council works in partnership with active community groups to support leaf clearance and in arranging the special collection of leaves collected by those groups;
- (C) some underspends in the Council's budget be used to set charges to a zero increase (with the exception of those which might need to be increased as a result of a statutory requirement);
- (D) Scrutiny Committees in 2015/16 review Fees and Charges relevant to their specific areas in order to assess whether they are commercially viable and meet community needs;
- (E) Hertford Theatre be afforded a level of flexibility in their box office pricing arrangements in order that management can reflect its varied programmes and the use of the building by not-for-profit local groups; and
- (F) Capital funding (including the use of Section 106 monies and NHB) be used to improve current facilities and acquire land for new sporting facilities across the District and in particular, the provision of football pitches, a sports hall and the extension of Grange Paddocks swimming pool in Bishop's Stortford to allow users of the pool to train and compete at a regional and national level.

The meeting closed at 9.48 pm